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**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 12 2013

**P&N** Postlethwaite  
& Netterville

A Professional Accounting Corporation

[www.pncpa.com](http://www.pncpa.com)

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Iberia Industrial Development Foundation  
New Iberia, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Iberia Industrial Development Foundation (a nonprofit organization) which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Iberia Industrial Development Foundation as of December 31, 2012, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

The financial statements of the Iberia Industrial Development Foundation as of and for the year ended December 31, 2011, were audited by other auditors whose report dated March 6, 2012, expressed an unmodified opinion on those statements.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2013 on our consideration of the Iberia Industrial Development Foundation's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Iberia Industrial Development Foundation's internal control over financial reporting and compliance.

*Postlethwaite & Netterville*

Lafayette, Louisiana  
May 2, 2013

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2012 AND 2011**

**ASSETS**

	<u>2012</u>	<u>2011</u>
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	\$ 96,813	\$ 97,449
Certificates of deposit	26,479	26,479
Accounts receivable	32,946	1,325
Grants receivable	-	37,991
Prepaid expenses	4,290	4,972
Total current assets	<u>160,528</u>	<u>168,216</u>
<b><u>PROPERTY AND EQUIPMENT</u></b>		
Land	11,000	11,000
Building	71,530	71,530
Building improvements	82,909	82,909
Equipment	63,374	62,549
Deposit	2,354	-
	<u>231,167</u>	<u>227,988</u>
Less accumulated depreciation	<u>(128,356)</u>	<u>(118,894)</u>
Total property and equipment	<u>102,811</u>	<u>109,094</u>
<b>Total Assets</b>	<b><u>\$ 263,339</u></b>	<b><u>\$ 277,310</u></b>

The accompanying notes are an integral part of these financial statements.

**LIABILITIES AND NET ASSETS**

	<u>2012</u>	<u>2011</u>
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable	\$ 2,088	\$ 2,902
Current maturities of long-term debt	3,950	5,023
Accrued and other liabilities	3,606	4,812
Deferred revenue	1,200	7,300
Total current liabilities	<u>10,844</u>	<u>20,037</u>
<b><u>LONG-TERM LIABILITIES</u></b>		
Long-term debt, less current maturities	<u>-</u>	<u>3,810</u>
Total long-term liabilities	<u>-</u>	<u>3,810</u>
 Total liabilities	 <u>10,844</u>	 <u>23,847</u>
<b><u>NET ASSETS</u></b>		
Unrestricted net assets	<u>252,495</u>	<u>253,463</u>
Total net assets	<u>252,495</u>	<u>253,463</u>
 Total Liabilities and Net Assets	 <u>\$ 263,339</u>	 <u>\$ 277,310</u>

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012		
	Unrestricted	Temporarily Restricted	Total
<b><u>REVENUES, GAINS AND OTHER SUPPORT</u></b>			
Hotel/motel tax revenue	\$ 243,613	\$ -	\$ 243,613
Contributions	25,000	-	25,000
Membership Revenue	29,550	-	29,550
Interest Revenue	4	-	4
Rent Revenue	3,950	-	3,950
Grant Revenue	-	170,092	170,092
Miscellaneous Revenues	171	-	171
Total revenues	302,288	170,092	472,380
<b><u>NET ASSETS RELEASED FROM RESTRICTIONS</u></b>			
Satisfaction of program restrictions	170,092	(170,092)	-
Total revenue and support	472,380	-	472,380
<b><u>EXPENSES</u></b>			
Program Services -			
Business Development	17,756	-	17,756
Job Development	10,935	-	10,935
Special Projects	21,459	-	21,459
Workforce Development Initiative:			
Consulting	11,672	-	11,672
Advertising	7,550	-	7,550
Seafood Academy			
Consulting	17,900	-	17,900
Marketing	4,927	-	4,927
Productions	58,238	-	58,238
Rentals	9,860	-	9,860
Supplies	43,713	-	43,713
Travel	160	-	160
Miscellaneous	3,302	-	3,302
West End Health and Wellness Project			
Professional services	988	-	988
Community branding project			
Consulting	4,800	-	4,800
Total program services	213,260	-	213,260
Support Services -			
General and administration:			
Salaries, benefits, and taxes	181,918	-	181,918
Advertising	4,602	-	4,602
Automobile	7,800	-	7,800
Depreciation	9,462	-	9,462
Dues and subscriptions	4,879	-	4,879
Insurance -			
General liability	4,249	-	4,249
Workers' compensation	979	-	979
Interest	364	-	364
Office	14,179	-	14,179
Professional Fees	8,778	-	8,778
Repairs and maintenance	7,190	-	7,190
Telephone	8,260	-	8,260
Utilities	6,165	-	6,165
Miscellaneous	1,263	-	1,263
Total support services	260,088	-	260,088
Total expenses	473,348	-	473,348
Change in net assets	(968)	-	(968)
Net assets at beginning of year	253,463	-	253,463
Net assets at end of year	\$ 252,495	\$ -	\$ 252,495

The accompanying notes are an integral part of these financial statements.



**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2011		
	Unrestricted	Temporarily Restricted	Total
<b><u>REVENUES, GAINS AND OTHER SUPPORT</u></b>			
Hotel/motel tax revenue	\$ 235,473	\$ -	\$ 235,473
Contributions	30,000	17,500	47,500
Membership Revenue	31,350	-	31,350
Interest Revenue	337	-	337
Program Revenue	850	10,000	10,850
Rent Revenue	4,500	-	4,500
Grant Revenue	-	106,157	106,157
Total revenues	302,510	133,657	436,167
<b><u>NET ASSETS RELEASED FROM RESTRICTIONS</u></b>			
Satisfaction of program restrictions	133,657	(133,657)	-
Total revenue and support	436,167	-	436,167
<b><u>EXPENSES AND LOSSES</u></b>			
Program Services -			
Business Development	12,000	-	12,000
Job Development	6,408	-	6,408
Special Projects	15,241	-	15,241
Career Shadowing	8,268	-	8,268
Workforce Development Initiative:			
Consulting	50,240	-	50,240
Marketing	44,882	-	44,882
Travel	1,069	-	1,069
Master Plan	17,500	-	17,500
Community branding project	11,200	-	11,200
Total program services	166,808	-	166,808
Support Services -			
General and administration:			
Salaries, benefits, and taxes	175,933	-	175,933
Advertising	6,879	-	6,879
Automobile	7,800	-	7,800
Depreciation	11,912	-	11,912
Dues and subscriptions	4,433	-	4,433
Insurance -			
General liability	4,352	-	4,352
Workers' compensation	554	-	554
Interest	745	-	745
Office	9,980	-	9,980
Professional Fees	10,393	-	10,393
Repairs and maintenance	8,620	-	8,620
Telephone	7,497	-	7,497
Utilities	6,050	-	6,050
Miscellaneous	2,590	-	2,590
Total support services	257,738	-	257,738
Total expenses and losses	424,546	-	424,546
Change in net assets	11,621	-	11,621
Net assets at beginning of year	241,842	-	241,842
Net assets at end of year	\$ 253,463	\$ -	\$ 253,463

The accompanying notes are an integral part of these financial statements.

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ (968)	\$ 11,621
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation	9,462	11,912
Changes in assets and liabilities -		
(Increase) decrease in assets:		
Accounts receivable	(31,621)	5,465
Grants receivable	37,991	(4,234)
Prepaid expenses	682	(1,336)
Increase (decrease) in liabilities:		
Accounts payable	(814)	(710)
Accrued and other liabilities	(1,206)	1,840
Deferred revenue	(6,100)	7,300
Net cash provided by operating activities	<u>7,426</u>	<u>31,858</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of certificate of deposit	-	(330)
Property and equipment deposit	(2,354)	-
Purchase of property and equipment	(825)	-
Net cash used in investing activities	<u>(3,179)</u>	<u>(330)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Net advances from (payments on) line of credit	-	(5,000)
Principal payments of long-term debt	(4,883)	(4,683)
Net cash used in financing activities	<u>(4,883)</u>	<u>(9,683)</u>
 Net increase (decrease) in cash and cash equivalents	 (636)	 21,845
Cash and cash equivalents - beginning of year	<u>97,449</u>	<u>75,604</u>
Cash and cash equivalents - end of year	<u>96,813</u>	<u>97,449</u>
<b>Supplemental Information:</b>		
Cash payments for interest	<u>\$ 364</u>	<u>\$ 745</u>

The accompanying notes are an integral part of these financial statements.

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Significant Accounting Policies**

**Nature of Business**

The Iberia Industrial Development Foundation (the "Foundation") is a nonprofit corporation organized under the laws of the State of Louisiana for the purpose of promoting industrial and economic development for the Parish of Iberia. The Foundation derives most of its revenue and support through a hotel/motel tax, membership dues, contributions, and grants.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents**

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Accounts Receivable**

The Foundation determines past due accounts based on contractual terms and does not charge interest on the accounts. The Foundation charges off receivables if management considers the collection of the outstanding balance to be doubtful. Management does not believe an allowance is necessary at December 31, 2012 or 2011.

**Property and Equipment**

Property and equipment are recorded at cost. Donated assets are recorded at the estimated fair value at date of donation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

	<u>Years</u>
Building	25
Building Improvements	3-25
Furniture and equipment	3-10

Maintenance and repairs are expensed as incurred. Costs which significantly increase asset values or extend useful lives are capitalized.

**Contributions and restrictions**

The Foundation reports information about its financial position and activities in three classes of net assets: unrestricted, temporarily restricted, or permanently restricted when received depending on the existence and nature of donor restrictions. When restrictions are satisfied, revenues are reclassified and reported as net assets released from restrictions.

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Significant Accounting Policies (continued)**

**Hotel/motel tax revenue**

Ordinance 87-08-552 of Iberia Parish Council, passed on September 9, 1987, called for the imposition of a 2% hotel/motel tax in Iberia Parish for the benefit of the Foundation. Under an agreement with the same, Iberia Parish Government acts as collecting agent for the tax withholding a 2% fee for administrative purposes.

**Membership Dues**

Membership dues are recognized as revenues on the calendar year basis. Membership is completely voluntary and dues are decided by the member-elected board of directors.

**Advertising**

Advertising costs are expensed as incurred. Total advertising expense was \$12,152 and \$6,879 for the years ended December 31, 2012 and 2011, respectively. The Foundation recognized \$2,850 and \$3,500, respectively, of revenue and expense from advertising barter transactions (see Note 6).

**Federal Income Taxes and Uncertain Tax Positions**

The Foundation is an exempt organization for federal income tax purposes under Section 501(c) (6) of the Internal Revenue Code. However, certain rental activities of the Foundation are not exempt from income tax as further discussed in Note 4.

Management has determined that the Foundation does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements of related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Foundation's tax returns will not be challenged by the taxing authorities and that the Foundation will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Foundation's tax returns remain open for three years for federal and state income tax examination which is 2009 and after.

**2. Concentrations of Credit Risk**

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist primarily of cash and investments. At December 31, 2012 and 2011, these balances were covered by FDIC insurance. Temporary investments of \$72,991 and \$72,984 at December 31, 2012 and 2011, respectively, consisted of short-term investments placed with brokerage firms.

While not insured by FDIC, protections are afforded for these amounts through the Securities Investor Protection Corporation (SPIC) and the Customer Asset Protection Company (CAPCO).

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**3. Note Payable and Line of Credit**

The Foundation has a note payable to a bank totaling \$3,950 and \$8,833 at December 31, 2012 and 2011, respectively. The note is payable in monthly installments of \$437 and is secured by land and building. Interest accrues at 4.875%. The note matures on November 3, 2013.

The Foundation also has unsecured lines of credit of \$25,000 at December 31, 2012 and 2011, payable to a bank. The \$25,000 line of credit is due May 10, 2013. Interest is payable monthly on the \$25,000 line of credit at a rate of 3% of the outstanding balance. The balances on the lines of credit are zero at December 31, 2012 and 2011.

**4. Income Taxes on Unrelated Business Income**

In 2012, the Foundation had unrelated business income as a result of its rental of debt-financed property. After applying expenses directly connected with or allocable to the debt-financed property, the Foundation did not have any taxable income remaining during 2012 or 2011.

**5. Contributions**

Included in support is contributions from local governmental bodies as follows:

	<u>2012</u>	<u>2011</u>
City of New Iberia	\$ 5,000	\$ -
Iberia Parish Government	-	22,500
Port of Iberia	15,000	15,000
Iberia Parish School Board	5,000	5,000
Iberia Parish Airport Authority	<u>-</u>	<u>5,000</u>
	\$ <u>25,000</u>	\$ <u>47,500</u>

**6. In-Kind Contributions**

The Foundation accepts in-kind contributions in exchange for membership dues. The fair value of contributions received in-kind for membership dues amounted to \$2,850 and \$4,000 for the years ended December 31, 2012 and 2011, respectively

**7. Net Assets Released from Restrictions**

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by the donors for the following programs:

	<u>2012</u>
CFA Seafood Academy	\$ 144,570
Workforce Development Initiative	20,722
CFA Tourism Grant	<u>4,800</u>
	\$ <u>170,092</u>

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**8. Concentration**

The Foundation's major source of revenue is a 2% hotel/motel tax within the boundaries of Iberia Parish. This tax accounted for approximately 52% and 54% of total revenues for the years ended December 31, 2012 and 2011, respectively.

**9. Subsequent Events**

The Foundation evaluated the need for disclosures and/or adjustments resulting from subsequent events through May 2, 2013, the date the financial statements were available to be issued. This evaluation did not result in any subsequent events that necessitated disclosures and/or adjustments under generally accepted accounting principles.

**REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Iberia Industrial Development Foundation  
New Iberia, Louisiana

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of financial position and the related statements of activities and changes in net assets and cash flows of the Iberia Industrial Development Foundation as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Iberia Industrial Development Foundation's basic financial statements, and have issued our report thereon dated May 2, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Iberia Industrial Development Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Iberia Industrial Development Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Iberia Industrial Development Foundation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness (2012-1).

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Iberia Industrial Development Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Entity's Response to Findings**

The Iberia Industrial Development Foundation's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Foundation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Foundation internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management of the Iberia Industrial Development Foundation, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Postlethwaite & Natterville*

Lafayette, Louisiana  
May 2, 2013



**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED DECEMBER 31, 2012**

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**2012-1 Segregation of Duties**

<b><u>Criteria:</u></b>	Internal control over financial reporting should include policies and procedures that ensure that controls over the accounting function are segregated to serve as a check and balance.
<b><u>Cause:</u></b>	During our audit we noted that a single individual reconciles bank accounts, performs all payroll duties, and maintains the general ledger.
<b><u>Condition:</u></b>	Due to the limited number of people working for the Foundation, many of the critical duties are combined and assigned to two employees. Presently, a single individual performs the majority of the accounting functions.
<b><u>Effect:</u></b>	The lack of segregation of duties in the accounting function constitutes a material weakness in their internal control over financial reporting. This is a repeat finding from the prior year.
<b><u>Recommendation:</u></b>	Keeping in mind the limited number of employees to which duties can be assigned, the Foundation should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

***View of Responsible Official and Planned Corrective Action:***

***Management has provided as much segregation of duties as possible with the resources available.***

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**SUMMARY OF PRIOR YEAR AUDIT FINDINGS AND RESPONSES**  
**YEAR ENDED DECEMBER 31, 2011**

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**2011-1 Segregation of Duties**

<b><u>Criteria:</u></b>	Internal control over financial reporting should include policies and procedures that ensure that controls over the accounting function are segregated to serve as a check and balance.
<b><u>Cause:</u></b>	During our audit we noted that a single individual reconciles bank accounts, performs all payroll duties, and maintains the general ledger.
<b><u>Condition:</u></b>	Due to the limited number of people working for the Foundation, many of the critical duties are combined and assigned to two employees. Presently, a single individual performs the majority of the accounting functions.
<b><u>Effect:</u></b>	The lack of segregation of duties in the accounting function constitutes a material weakness in their internal control over financial reporting.
<b><u>Recommendation:</u></b>	Keeping in mind the limited number of employees to which duties can be assigned, the Foundation should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

***View of Responsible Official and Planned Corrective Action:***

***Management has provided as much segregation of duties as possible with the resources available***

***Current Status: Not resolved. See finding 2012-1.***